

OFFICE OF THE WASHINGTON STATE LIQUOR CONTROL BOARD

June 7, 1995

The regular meeting of the Washington State Liquor Control Board was called to order at 9:30 a.m., Wednesday, June 7, 1995, in the Board conference room, fifth floor, Capital Plaza Building, Olympia, by Chairman Joe McGavick. Board Members Mike Murphy and Jack Rabourn were present. Also present was Kim O'Neal, Assistant Attorney General.

APPROVAL OF MINUTES. Chairman McGavick called for approval of the Board meeting minutes for May 23 and May 24, and May 30, 1995 which the Board Members had reviewed.

Board Member Murphy moved approval of the above referenced Board meeting minutes, Board Member Rabourn seconded the motion and it carried.

Chairman McGavick pointed out that some portions of the STAFF MEETING MINUTES have lacked adequate information. This means the Assistant Directors and other staff who prepare the staff meeting notes, from which the minutes are derived, need to indicate not only the subject matter, but also a brief description of the discussion, along with any decision reached.

DIVISION OF MERCHANDISING - WASHINGTON WINE MONTH. Mike Donaldson, Assistant Director, Division of Merchandising, reported the Board offered a 5% increase in discount on the purchase of a case or more of wines during the Washington Wine Month in August 1994 which, he said, was well received by the customers and spurred the sales. He requested Board approval to repeat the offer during Washington Wine Month in August 1995.

Board Member Rabourn moved approval of the request, Board Member Murphy seconded the motion. Board Member Murphy asked if the discount applies only to Washington wines. Mr. Donaldson replied it applies to all wines. Board Member Murphy then asked if it's possible have it applicable only to Washington wines. Mr. Gary Thompson indicated the current system would make that difficult since a mixture of Washington and other state wines are allowed to make up a case. Mr. Murphy asked Ms. Kim O'Neal if the Board can legally discount only the Washington wines. Ms. O'Neal replied she would have to look into it more indepth, but her quick answer is that it would create a problem, the extent of which has yet to be determined, to favor in-state wines over out-of-state wines. Ms. O'Neal added the problem of favoritism would

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<b>PLAINTIFF'S EXHIBIT</b>	
CASE NO.	<b>CV04-0360P</b>
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still exist even if the Board called it simply a Wine Month. Mr. Murphy further asked if Washington Wine Month itself is a form of discrimination. Ms. O'Neal said that presents less of a problem than the discrimination with the price. Chairman McGavick restated the motion and called for a vote, and the motion was passed unanimously.

DIVISION OF MERCHANDISING - LEASE EXTENSION - YAKIMA NO. 165.

Mike Donaldson, Assistant Director, Division of Merchandising, reported the lease for the Yakima Enforcement Office expired on May 31, 1995, and requested Board approval for a 60-day extension on the lease, pending negotiation and completion of the lease renewal proposal.

Board Member Murphy moved approval of the request, Board Member Rabourn seconded the motion and it carried unanimously.

DIVISION OF MERCHANDISING - PURCHASE OF PLASTIC BAGS. At Chairman McGavick's request, Mr. Mike Donaldson, Assistant Director, Division of Merchandising, reported none of the three or four vendors that were contacted for plastic bags was a minority/women owned business. The \$28,176 proposal being presented to the Board is the least of the bids received. Ms. Kim O'Neal said obtainment of three quotes satisfies the competition process requirement of the statute governing purchases under \$35,000.

Mr. Donaldson urged immediate Board approval in order for the product to be purchased by June 30, 1995. Mr. McGavick stated this issue has been known since December 1994, and he would prefer not to make a rushed decision and on a sole source vendor. Mr. Donaldson explained there were some processes that prolonged this issue, one of which was to ensure funds are available. Mr. Jim Hoing indicated funds are available in the 95-97 biennium budget for this purpose. Chairman McGavick stated the Board will address this issue again upon completion of a more indepth competition process conducted by the Division of Merchandising.

DIVISION OF MERCHANDISING - RELOCATION OF SEATTLE STAFF. Both Chairman McGavick and Mr. Donaldson agreed to defer the issue of relocation of Seattle staff due to some new information that surfaced.

DIVISION OF PURCHASING & DISTRIBUTION - DUBONNET APERITIF CO-PACK - POTENTIAL ONE-TIME-ONLY. Gary Thompson, Acting Assistant Director, Division of Purchasing & Distribution, recommended Board approve the request from the supplier of Dubonnet Red Aperitif to ship 100 cases of a co-pack

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